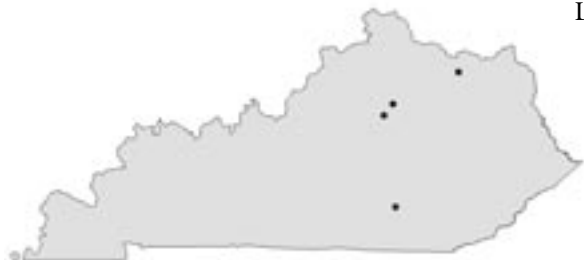


Office Locations: Bowling  
Green, Lexington,  
Louisville, Morehead



KENTUCKY MANUFACTURING ASSISTANCE CENTER (KMAC) is a private not-for-profit, corporation that provides a wide variety of best business practice and technology services to Kentucky's small and medium-sized manufacturers in order to help them advance their production methods, management processes, and competitive capabilities. KMAC is strategically affiliated with the Kentucky Cabinet for Economic Development and the Kentucky Office for the New Economy. Contact: Lynn Witten, President (lwitten@kmac-mep.org). Address: 1510 Newtown Pike, Suite A, Lexington, KY 40511, Phone: (859) 252-7801, Fax: (859) 252-7900, WEB: www.kmac-mep.org

## THE MANUFACTURING EXTENSION PARTNERSHIP IN KENTUCKY

Manufacturing Extension Partnership (MEP) is a nationwide system of services and support for smaller manufacturers to become more globally competitive. At the heart of the system is a network of affiliated, locally-based manufacturing extension centers. Each center, like KMAC, is a partnership, typically involving federal, state, and local governments; industry; educational institutions; and other sources of expertise, information and funding support.

### COMPANY CLIPS

#### Zeon Chemicals Improves Processes with Lean Manufacturing

Zeon Chemicals, established in 1989, is a branch of the Japan-based Zeon Corporation, a world leader in the production of specialty elastomers. The Louisville, Kentucky plant's 400 employees produce various types of synthetic rubbers for numerous industrial and commercial purposes, including the automotive market.

Zeon faced unacceptable production costs and margins associated with its key production line process. The company wanted to find a cost reduction solution that could achieve an acceptable return-on-sales without adjusting the current product mix and volume. After meeting with representatives of the Kentucky Manufacturing Assistance Center (KMAC), Zeon contracted with the organization for the implementation of select lean manufacturing techniques.

KMAC implemented a manufacturing process improvement project for Zeon. KMAC conducted hands-on training simulations to demonstrate the results of applying cost reduction/productivity improvement techniques. Then KMAC led Zeon through a value stream mapping exercise to determine the current and future states, identifying and prioritizing areas for improvement. Zeon employees divided into several cross-functional teams focused on idea generation, testing solutions, and change implementation, and KMAC led them through several hands-on implementations. Finally, KMAC trained Zeon employees in team building, visual workplace organization, and quick changeover. Zeon requested a follow-up project from KMAC to ensure momentum is maintained. Since implementation has begun, Zeon has reduced its finished goods inventory by almost 270,000 pounds, reduced work-in-process and space requirements, and achieved a \$400,000 decrease in manufacturing costs.

*Continued*

### STATE STATS

DATA\* COVERS JANUARY TO DECEMBER 2001

Number of projects completed  
with firms  
**432**

Number of firms served  
**141**

Number of firms served for  
the first time  
**125**

Federal cost share for current  
operating year  
**\$397,000**

State/other cost share for current  
operating year  
**\$794,000**

*\*Data as reported from center*

DATA\*\* COVERS JANUARY TO DECEMBER 2001

Increased sales & retained sales  
**\$25,800,000**

Client capital investment  
**\$550,000**

Total cost savings  
**\$1,113,000**

Jobs (created & retained)  
**310**

*\*\*Source: Independent client impact survey*



**Semicon Improves Quality to Increase Competitive Position**

Semicon Associates, founded in 1953, is a world leader in dispenser cathode fabrication, one of only two such U.S. manufacturers. Located in a 30,000 square-foot plant in Lexington, Kentucky, Semicon's 80-plus employees produce a series of dispenser cathodes. These components are used in the communications, space, medical research, and defense industries. Semicon asked the Kentucky Manufacturing Assistance Center (KMAC) to help the firm meet both its short- and long-term objectives through strategic planning and ISO 9000:2000 quality controls.

KMAC began the strategic planning process with a preparation phase during which critical information is gathered to help the firm objectively assess its short- and long-term market situation. That information feeds into the next phase, known as the consensus-building phase. KMAC utilized an internationally known software tool called Aliah THINK to help cross-functional teams reach a consensus about the firm's future direction and the steps the company needed to take to reach its goals. Finally, KMAC trained Semicon personnel in work breakdown structure and project management to help them implement and complete the strategic action steps.

KMAC also worked with Semicon to implement the processes and procedures necessary for the firm to meet ISO 9000:2000 standards. Implementing these international quality standards has helped the firm standardize its processes and procedures, resulting in improvements in quality control and a better position from which to expand its customer base and market reach. As added benefits, Semicon has reduced lead-time and increased throughput, and created 10 additional jobs. By reducing the defect rate, the company has saved \$115,000 and increased sales by \$400,000.